

THIS NSDD # 164

HAS BEEN (SUPERSEDED) ~~(RESCINDED)~~

BY

NSDD # 254

Page Denied

19 April 1985

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: VADM E. A. Burkhalter, Jr., USN
Director, Intelligence Community Staff

SUBJECT: NSDD 164, National Security Launch Strategy

1. Background: The subject NSDD (Attachment A) was produced by the NSC Staff based on discussions between Mr. Aldridge and Mr. Beggs--no staff involvement--in response to SecDef and DCI memoranda (Attachment B) sent to Mr. McFarlane. The memoranda requested that the President issue an NSDD to resolve, in the DoD's favor, the issue between Defense and NASA regarding the assured access to space requirement and DoD's supporting Complementary Expendable Launch Vehicle (CELV). Resolution of this issue was necessary to the completion of the report, mandated by the FY 1985 Defense Appropriations Bill, addressing Congressional concerns over CELV options. [REDACTED]

25X1

Upon publication of NSDD 164, the SecDef transmitted the CELV report to the Congress, announced the selection of the Titan T34D7 as the winner of the competition for the CELV and transmitted an FY 1985 reprogramming request for [REDACTED]

25X1.1

The DCI submitted a parallel NRP reprogramming request for [REDACTED] which completes the NRP share in FY 1985. [REDACTED]

25X1

2. Discussion: The immediate issue of NASA imperiling the CELV report to Congress and selection of the CELV contractor was resolved in NSDD 164. The negotiation between Mr. Aldridge and Mr. Beggs, however, produced additional Presidential direction for: a yearly minimum DoD Shuttle flight rate, developing a new Shuttle pricing policy for DoD payloads and developing future manned and unmanned launch vehicles. The specific Presidential direction charged: [REDACTED]

25X1

- DoD to commit to at least one-third of STS flights available during the next 10 years (this means at least 8 per year at a flight rate of 24 per year).

~~SECRET~~

25X1

SUBJECT: NSDD 164, National Security Launch Strategy

The DoD has just commenced developing the new pricing formula with NASA. The DoD is also in the final stage of negotiating the language for the NSSD on the second generation space transportation system with NASA and Col. Gilbert Rye of the NSC Staff. [REDACTED]

25X1

Given Mr. Aldridge's personal involvement in NSDD 164 and the immediate implementing activities, it would be worthwhile to gain his views on the impacts, both near and far, on the NRP. [REDACTED]

25X1

3. Recommendation: As you requested in our 9 April discussion, we will arrange for Mr. Aldridge to brief you on NSDD 164 with particular attention to: [REDACTED]

25X1

- The understanding that Mr. Aldridge has with Mr. Beggs on the interpretation of the direction given in the NSDD, to include implications for the increasing involvement of NASA in national security launch activities.
- The impact of the new pricing policy on the national security launch posture and the implications of the new pricing policy for the NRP.
- The implications of the second generation space transportation system NSSD on the DoD launch posture and possible impact on the NRP.

OK

We will provide talking points when the meeting date is set.

[REDACTED]

25X1

E. A. Burkhalter, Jr.
Vice Admiral, USN

Attachments:

[REDACTED]

25X1

[REDACTED]

25X1

SUBJECT: NSDD 164, National Security Launch Strategy

- NASA and DoD to jointly develop a new pricing policy for DoD flights that provides a positive incentive for using the Shuttle. The reimbursement rate per flight will have both a fixed and variable component.
 - There will be an annual fixed fee (paid yearly regardless of whether or not the DoD flies) and a charge per actual flight at marginal or incremental costs. NASA will propose a pricing policy by 15 April 1985.
- DoD and NASA to study the development of a second generation space transportation system using manned and unmanned systems to meet all user requirements. The TOR for the study will be developed by NASA and DoD, and issued as an NSDD.
 - The range of options will include Shuttle derived technology. Per language in NSDD 164, it is anticipated that NASA will be responsible for civil manned systems and DoD for systems management of unmanned systems.

NSDD 164 directly impacts the NRO by directing a new pricing policy for national security Shuttle use and mandating a minimum number of national security Shuttle launches per year. A Shuttle price which will have both fixed and flight rate variable components and will provide a positive incentive for DoD use of the Shuttle, coupled with a mandated minimum DoD Shuttle occupancy, will most likely result in the USAF and the NRO making large yearly payments to NASA to sustain the Shuttle and a smaller payment for each flight. Additionally, DoD future use of ELVs may become increasingly more difficult as the ELVs would be competing in the DoD/NFIP budget process with the significantly smaller incremental cost of a Shuttle flight.

25X1

Further impacts of the NSDD on the NRO are also distinctly possible. The NSDD makes NASA an almost equal partner with Defense in what has previously been an internal national security decision process with regard to DoD space launch requirements and the solutions to those requirements. As such, the ability of Defense and the DCI to satisfy national security launch requirements will now be linked to the approval/support of NASA. We also expect that the NSDD study of a second generation space transportation system will be heavily influenced by the Strategic Defense Initiative Organization's and NASA's desire for a launch and logistics structure revolving around the Space Station and Shuttle. The cost to the NRO, operationally and fiscally, may be significant since the future launch posture may not be well matched to NRO requirements. This also may result in a truly National Space Transportation System. ✓

25X1

SUBJECT: NSDD 164, National Security Launch Strategy

Distribution:

- 1 - DDCI
- 2 - Exec Registry
- 3 - D/ICS, wo/atts
- 4 - D/PBS
- 5 - D/PPS
- 6 - PPS Chrono
- 7 - PPS Subject
- 8 - ICS Registry

DCI/ICS/PPS

8 April 1985

25X1

25X1

25X1